

Department of the Army  
Corps of Engineers  
Determination and Findings  
Authority to Issue a Notice to Proceed  
Without Price Agreement  
Change Item No. 7  
Contract Number DACA81-99-C-0028/A028

Upon the basis of the following Findings and Determination, the proposed Notice to Proceed described below may be issued without price agreement pursuant to DFARS 217.74 and EFARS 17.74.

FINDINGS

1. The U.S. Army Corps of Engineers, Far East District, proposes to issue a Notice to Proceed (NTP) prior to formal modification of Contract No. DACA81-99-C-0028/A028, FY96 ROKFC, Gymnasium, Chinhae Naval Base, Korea.
2. The change to be performed is to revise foundation of gymnasium, in accordance with the following revised drawings:

<u>Description</u>	<u>Sheet No.</u>	<u>Revision Letter</u>	<u>Revision Date</u>
Title Sheet	T-1 & 2	"d"	28 December 1999
General structural Note	S-1	"c"	9 December 1999
Concrete Details	S-3	"c"	9 December 1999
First Floor Plan	S-7	"c"	9 December 1999
Column Footing and Grade			
Beam Schedule	S-14	"c"	9 December 1999
Foundation Section 1	S-15	"c"	9 December 1999
Foundation Section 2	S-16	"d"	28 December 1999

3. The current findings to date indicate:
  - a. The requirement for this change was first identified on 11 November 1999.
  - b. A partial stop work order was issued on 19 November 1999 to stop piling for foundation of gymnasium until a proper remedial action is developed by the Government.

c. A Basic Change Document (BCD) was initiated on 15 December 1999 upon receipt of revised drawings.

d. A Request for Proposal was issued to the contractor on 15 December 1999, and awaiting the Contractor's responding proposal. The Request for Proposal was issued with the revision letter "C" drawings to the Contractor.

On 28 December 1999, the sheet No. S-16 was revised again by Engineering Division with revision letter "d". The Contractor will be requested to submit his revised proposal accordingly based on the revised drawings by the unpriced NTP.

e. When the requirement for this change item was identified on 11 November 1999, the contractor was furnishing and driving piles for foundation of the gymnasium under the contract.

f. It is considered necessary that a unpriced Notice to Proceed should be issued immediately because there was no reason to delay the contract work, and mitigate the extended overhead costs (approximate \$600.00 per day) due to suspension of work.

g. Not-to-Exceed Price and Limitation on Expenditures:

(1) The Independent Government Estimate (IGE) amount is W215,176,341 (or \$195,615 at the exchange rate of W1,100/\$1.00). The original IGE will be revised based on the revised design. The rough order magnitude (ROM) of the revised Government Estimate by the Cost Engineering Branch is approximately W99,000,000 lower than the original IGE. Therefore the revised Government ROM is approximately W116,000,000 (or \$105,454.55) for this unpriced NTP.

(2) A Not-To-Exceed price of W90,000,000 (or \$81,818.18 at the exchange rate of W1,100/\$1.00) shall be included in the unpriced NTP. This amount is 77.6% of the Government ROM amount.

4. The schedule for definitization of this Change Item is:

Date for commencement of negotiations: 20 January 2000  
Target date for definitization: Not later than 20 February 2000

5. Funds in the amount of W215,176,341 are available as follows:

21 NA 1999 2050.0000 J1 1999 08 8122 700000000000 94626 3200 0021NL  
W215,176,341 (\$195,614.86 @W1,100/\$1.00)  
PR&C Requisition No. WT4KCL-9357-3954

6. A Notice to Proceed to perform the work covered by Change Item No. 7 should be issued without price agreement, and construction will be delayed day for day pending NTP for this change. Therefore, it is critical that the contractor be directed to proceed with the work covered by this change item No. 7.

A Notice to Proceed is mandatory to mitigate additional costs due to further delay in contract work, and to preclude construction time growth. It is expected, in the absence of a NTP, it will take a minimum of 30 calendar days from this date to formalize this change order; and extended overhead will accrue during this period at a rate of \$600.00 per day.

#### DETERMINATION

It is impractical to negotiate and reach price agreement prior to the issuance of the Notice to Proceed, and it is in the best interest of the Government to issue a Notice to Proceed prior to formal modification of the contract.

Approved by: \_\_\_\_\_  
GAR SUN LUM  
Contracting Officer

Date: \_\_\_\_\_